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## BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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BOB STUMP, Chairman  
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 BRENDA BURNS, Commissioner  
 SUSAN BITTER SMITH, Commissioner

ARIZONA CORPORATION COMMISSION  
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IN THE MATTER OF POSSIBLE ) DOCKET NO. E-00000XX-13-0214  
 AMENDMENTS TO THE COMMISSION'S )  
 ENERGY EFFICIENCY RULES FOR BOTH )  
 GAS AND ELECTRIC UTILITIES )

ORIGINAL

INFORMAL COMMENTS OF THE  
 ARIZONA TRANSMISSION DEPENDENT UTILITY GROUP

The Arizona Transmission Dependent Utility Group ("ATDUG")<sup>1</sup> presents the following comments on the proposed changes to the Arizona Corporation Commission's ("Commission's") Energy Efficiency Rules. The members of ATDUG are not subject to the Commission's jurisdiction. However, much of what the Commission does ends up in front of the Arizona Legislature which directs the programs and responsibilities of ATDUG members. Thus, we are greatly interested in any changes to Energy Efficiency Rules that the Commission might entertain.

## COMMENTS

We will not comment on what is in the proposal and what changes are being proposed. Rather, we wish to comment on what is missing. What is missing, simply put, is hydropower. Arizona benefits from hydropower generation of the Colorado River Storage Project, the Boulder

<sup>1</sup> Aguila Irrigation District, Ak-Chin Indian Community, Buckeye Water Conservation & Drainage District, Central Arizona Water Conservation District, Electrical District No. 3, Electrical District No. 4, Electrical District No. 5, Electrical District No. 7, Electrical District No. 8, Harquahala Valley Power District, Maricopa County Municipal Water District No. 1, McMullen Valley Water Conservation and Drainage District, Roosevelt Irrigation District, City of Safford, Tonopah Irrigation District, Wellton-Mohawk Irrigation and Drainage District.

1 Canyon Project, the Parker-Davis Project, and other federal hydropower resources on the  
2 Colorado River. Additionally, the hydropower benefits from the dams on the Salt and Verde  
3 Rivers benefit the customers of the Salt River Project.

4 These resources are valuable renewable resources that displace hydrocarbon energy in  
5 Arizona. The fact that they are not recognized generally by the Commission as valuable  
6 contributors to the overall renewable energy strategies is unfortunate. Existing hydropower  
7 benefits in Arizona should be recognized by the Commission.

8 Moreover, the United States Bureau of Reclamation ("Reclamation") has had a program  
9 denominated "Lease of Power Privilege" since 1939. In 2013, Congress amended that program  
10 to make it easier for small power generation units to be put into existing canals and municipal  
11 water pipes and structures.<sup>2</sup> The delivery of water includes the use of energy. When the water  
12 needs to be slowed down, it is obstructed in its flow in order to reduce the energy in the water.  
13 That obstruction can be replaced with a propeller and generate electricity. At the same time that  
14 this legislation was being signed by the President, the President also signed a companion bill for  
15 fast-tracking these same kinds of facilities through the processes of the Federal Energy  
16 Regulatory Commission ("FERC") for facilities other than those of Reclamation.<sup>3</sup> In short,  
17 Congress fast-tracked the development of small hydropower in irrigation and municipal facilities  
18 around the United States.

19 The Commission proposed rules do not include hydropower. The Commission needs to  
20 recognize that these programs exist and that they can benefit Arizona as well as other  
21 Reclamation states and can benefit municipal systems in Arizona as well.

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24 <sup>2</sup> Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act, Pub. L. No. 113-24, 127  
25 STAT. 498 (2013).

<sup>3</sup> Hydropower Regulatory Efficiency Act of 2013, Pub. L. No. 113-23, 127 STAT. 493 (2013).

1 The rules of the Arizona Corporation Commission need to be altered to recognize  
2 existing hydropower and to recognize that small hydropower generation at Reclamation facilities  
3 and other facilities can be implemented and should be given credit as an incentive for their  
4 development in Arizona Corporation Commission rules.

5  
6 RESPECTFULLY SUBMITTED this 18<sup>th</sup> day of November, 2014.

7 ROBERT S. LYNCH & ASSOCIATES

8  
9 By 

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